

Statement of Senator Herb Kohl
Special Committee on Aging Hearing
Social Security: Do We Have to Act Now?
February 3, 2005

Thank you, Mr. Chairman, and welcome to our distinguished witnesses. Today the Committee will address the issue of Social Security, which the President pushed to the top of the national agenda with his State of the Union address last night.

I want to make very clear that while Social Security faces financial challenges in the future, it is not broke. Even using the most conservative estimates of economic growth, for the next forty years, Social Security will continue to be able to pay the benefits that seniors have earned and deserve.

It's important to remember that Social Security has been one of the most successful programs in our nation's history. This program reduced poverty among the elderly from almost 50% in the 1930's to 10% today. It has helped seniors live out their retirement years in more comfort and security. As we work to strengthen Social Security, we need to be careful to mend it – not break it.

We have all heard the arguments that Social Security will be broke, bankrupt, and unable to pay benefits to future retirees. But factually, even if we did nothing to shore up the program – which of course is not an option – but even if we did nothing, Social Security would be able to pay 78% of benefits in the year 2052. I am sure that CBO will confirm that today.

We need to take steps to strengthen and mend Social Security so that its promise of a secure retirement is just as real for seniors in the future as it is today. But those who want to radically change Social Security need to clearly explain why we should alter a program that has been so successful and has kept so many seniors out of poverty.

It's also important to point out that under the President's proposal as it's been explained so far, people are not given a choice between keeping what they have today or starting new private accounts. Whether you choose a private account or not, his plan requires significant cuts in the guaranteed benefit that seniors have come to rely on in their retirement.

There are a variety of options to choose from to make Social Security solvent far into the future. We need to start considering those options now so we can protect Social Security for the seniors of today and tomorrow. But we need to have a honest dialogue that gives the real picture of Social Security's finances and challenges. I hope this hearing will start us on that path today.